

SENATE BILL NO. 242

INTRODUCED BY V. COCCHIARELLA

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE DEFINITION OF "DEPENDENT" FOR THE MEDICAL CARE SAVINGS ACCOUNT TO BE THE SAME AS A DEPENDENT FOR INCOME TAX PURPOSES; AMENDING SECTION 15-61-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-61-102, MCA, is amended to read:

"15-61-102. Definitions. As used in this chapter, unless it clearly appears otherwise, the following definitions apply:

(1) "Account administrator" means:

(a) a state or federally chartered bank, savings and loan association, credit union, or trust company;

(b) a health care insurer as defined in 33-22-125;

(c) a certified public accountant licensed to practice in this state pursuant to Title 37, chapter 50;

(d) an employer if the employer has a self-insured health plan under ERISA;

(e) the account holder or an employee for whose benefit the account in question is established;

(f) a broker, insurance producer, or investment adviser regulated by the commissioner of insurance;

(g) an attorney licensed to practice law in this state;

(h) a licensed public accountant or a person who is an enrolled agent allowed to practice before the United States internal revenue service.

(2) "Account holder" means an individual who is a resident of this state and who establishes a medical care savings account or for whose benefit the account is established.

(3) "Dependent" means the spouse or other person qualifying as a dependent of the employee or account holder ~~or a child of the employee or account holder if the child is:~~

~~—— (a) under 23 years of age and enrolled as a full-time student at an accredited college or university or is under 19 years of age;~~

~~—— (b) legally entitled to the provision of proper or necessary subsistence, education, medical care, or other~~

~~care necessary for the health, guidance, or well-being of the child and is not otherwise emancipated,~~
~~self-supporting, married, or a member of the armed forces of the United States; or~~
~~—— (c) mentally or physically incapacitated to the extent that the child is not self-sufficient under 15-30-112.~~

(4) "Eligible medical expense" means an expense paid by the employee or account holder for medical care defined by 26 U.S.C. 213(d) for the employee or account holder or a dependent of the employee or account holder.

(5) "Employee" means an employed individual for whose benefit or for the benefit of whose dependents a medical care savings account is established. The term includes a self-employed individual.

(6) "ERISA" means the Employee Retirement Income Security Act of 1974, Public Law 93-406.

(7) "Medical care savings account" or "account" means an account established with an account administrator in this state pursuant to 15-61-201."

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 3. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 2004.

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